



Special Notice

CALIFORNIA STATE BOARD
OF EQUALIZATION
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Effective January 1, 2016, the Aircraft Common Carriers Local Tax Exemption Increases to One Percent

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Effective January 1, 2016, the local tax exemption for qualifying sales to, and purchases by, aircraft common carriers increases to one percent (1%).

Background

On July 1, 2004, the local component of the sales and use tax rate decreased from one and a quarter percent (1.25%) to one percent (1%) as a result of Proposition 57, the Economic Recovery Bond Act (ERBA), also known as the "Triple Flip." Since aircraft common carriers are exempt from paying a portion of the local tax on certain purchases, the amount of their exemption decreased from one percent (1%) to three-quarters of one percent (0.75%).

As of January 1, 2016, the provisions of the ERBA will conclude, and return the local tax component of the sales and use tax rate to one and a quarter percent (1.25%). Therefore, the aircraft common carrier local tax partial exemption on qualifying sales and purchases will increase from three-quarters of one percent (0.75%) to one percent (1%).

Local Tax Exemption for Aircraft Common Carriers

[Regulation 1805](#), *Aircraft Common Carriers*, provides that the local tax does not apply to certain sales to, or purchases by, aircraft common carriers if the property is used or consumed in a qualifying manner. This exemption is limited to supplies and equipment (excluding fuel and petroleum products) used or consumed directly in the carriage of persons or property. It does not include office supplies, shop equipment, or any other property not directly used or consumed in the carriage of persons or property.

Claiming the Exemption

When filing your sales and use tax return for transactions on or after January 1, 2016, you may claim the full one percent (1%) exemption of the local tax. If you are claiming the exemption from the local tax you must complete and attach the BOE-531-X, *Schedule X Detailed Allocation by County of Sales Exempt from Local Tax*, to your return. You may download the form directly from our website at www.boe.ca.gov/pdf/boe531x.pdf.

Note to Retailers

You do not need to obtain a new blanket exemption certificate from your customer. Properly completed certificates already on file may be used to support partially exempt sales made under the new rate. Blanket exemption certificates, form BOE-230-Q-1, *Exemption Certificate Aircraft Common Carrier*, can also be downloaded from our website at www.boe.ca.gov/pdf/boe230q1.pdf.

For More Information

If you have questions regarding this notice, please contact the BOE's Local Revenue Allocation Unit at 1-916-324-3000.